



# TEN THINGS YOU SHOULD KNOW ABOUT STUDENT LOANS

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## BORROW ONLY WHAT YOU NEED



### MINIMIZE LOANS AS MUCH AS POSSIBLE:

Use all grants and scholarships before borrowing money that has to be paid back. Consider a tuition payment plan that allows you to make payments over time, and work with your financial aid advisor to borrow as little as possible.

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## HAVE A PLAN

- tuition +
- books +
- food +
- housing +
- bills +
- lab fees +
- parking +
- supplies +
- entertainment +
- \$\$\$ , \$\$\$ -

### IF YOU HAVEN'T ALREADY, MAP OUT THE COST OF YOUR ENTIRE EDUCATION AND HOW YOU'LL PAY FOR IT.

Helpful hints and tools to create a healthy financial future can be found at [Nelnet.com/Get-Financially-Fit](http://Nelnet.com/Get-Financially-Fit).

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## CREATE AND FOLLOW A MONTHLY BUDGET



Throughout your life, you should know how much money you have and where it's going. Create an estimated monthly budget for when you graduate, and make sure to factor in your future monthly student loan payment. Does it fit? If not, you may need to make some adjustments.

SEVERAL BUDGET WORKSHEETS AND RESOURCES ARE AVAILABLE AT [NELNET.COM/GET-FINANCIALLY-FIT](http://NELNET.COM/GET-FINANCIALLY-FIT).

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## UNDERSTAND YOUR LOANS

There are several different kinds of loans; here are some key factors to be aware of:

### SUBSIDIZED VS UNSUBSIDIZED

If it's subsidized, the accrued interest is paid by the government while you're in school and during other approved times of non-payment. If it's unsubsidized, you're responsible for the interest right away.

**Note:** First-time Direct Loan borrowers on or after July 1, 2013, are no longer eligible for the Subsidized Student Loan program if they are in school longer than 150% of the published length of time necessary to graduate from an undergraduate degree program.

### FEDERAL VS PRIVATE

Federal loans are funded by the federal government and come with benefits like reduced monthly payments and deferment. Private loans are issued by banks and often come at a higher cost with fewer benefits.

### FIXED INTEREST VS VARIABLE INTEREST

Fixed rates are constant for the life of the loan, but variable interest rates are adjusted annually on July 1. Visit [Nelnet.com/All-Calculators](http://Nelnet.com/All-Calculators) to estimate your interest.

FIND MORE BASIC LOAN TERMINOLOGY AT [NELNET.COM/TERMS-TO-KNOW](http://NELNET.COM/TERMS-TO-KNOW).

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## KNOW YOUR SERVICER



### FEDERAL LOANS ARE MANAGED BY LOAN SERVICERS; THESE ARE THE PEOPLE WHO CAN HELP YOU.

Servicers will send you important loan info, collect your payments, and answer your questions. To find out who the loan servicers are for your federal loans, visit [nslds.ed.gov](http://nslds.ed.gov).

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## SET UP AN ONLINE ACCOUNT



When you create an online account with your servicer, you'll get quick electronic communications, have an easy way to connect with them, and be able to keep your contact info current.

VISIT YOUR SERVICER'S WEBSITE TO CREATE YOUR ONLINE ACCOUNT TODAY!

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## MAKE PAYMENTS WHILE IN SCHOOL (EVEN IF IT'S ONLY A LITTLE)

Even if you can only afford

### \$5 PER MONTH



Making small payments now can reduce your principal and/or interest balance by thousands of dollars. With that money, you could buy a new car, pay the deposit on an apartment, or even make a down payment on a house. Paying interest while in school will also keep you aware of what you're borrowing.

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## YOU HAVE REPAYMENT OPTIONS



If you need to lower or postpone your payment, or if you want to see if you're eligible for Public Service Loan Forgiveness, contact your servicer today **AND SEE IF YOU QUALIFY.**

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## REPAYMENT IS EASIER WHEN YOUR OVERALL DEBT IS LOWER



During college, avoid racking up credit card debt or purchasing unnecessary big-ticket items. That way, when you graduate, you can focus on paying down your student loans instead of juggling multiple (avoidable) monthly payments.

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## KEEP IN TOUCH!



It can often be confusing to understand how to make your student loan experience the best it can be. But, your servicer(s) are there to help.

STAY IN TOUCH AND ASK QUESTIONS AS YOUR SITUATION CHANGES.